

Controller's Office

To the Honorable Mayor and City Council of the City of Houston, Texas:

I hereby certify, with respect to the money required for the contract, agreement, obligation or expenditure contemplated by the ordinance set out below that:

- () Funds have been encumbered out of funds previously appropriated for such purpose.
- () Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- () Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- () No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- () The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- (✓) A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated herein by this reference.
- () Other - Grant Funds Available

Date: April 6, 2005

Arvise D. Payton
Madeline D. Appel
City Controller of the City of Houston, Texas

FUND REF: 486-20 AMOUNT: \$1,000,000.00 ENCUMB. NO.: 48600
750-20 2,000,000.00 75000

City of Houston, Texas, Ordinance No. 2005 - 371

AN ORDINANCE ESTABLISHING A UTILITY RELOCATION POLICY FOR THE CITY OF HOUSTON; AMENDING CHAPTER 40 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, TO SET FORTH POLICIES AND PROCEDURES FOR THE RELOCATION OF FACILITIES LOCATED WITHIN PUBLIC RIGHTS-OF-WAY TO ACCOMMODATE PUBLIC WORKS CONSTRUCTION PROJECTS; CREATING A UTILITY RELOCATION PROGRAM AND APPROVING THE TERMS AND PROVISIONS THEREOF; APPROPRIATING THE AGGREGATE SUM OF \$9,000,000 THEREFOR FROM CERTAIN COMMERCIAL PAPER PROGRAMS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City of Houston is a home-rule municipality having the full power of local self-government under Article XI, Section 5, of the Texas Constitution; and

WHEREAS, a home-rule municipality may exercise its governmental authority independently of any other powers expressly granted to it by the State; and

WHEREAS, Section 283.056 of the Texas Local Government Code authorizes a municipality to exercise police-power based regulations in the management of the public rights-of-way to the extent reasonably necessary to protect the health, safety and welfare of the public; and

WHEREAS, Texas Constitutional provisions and statutes collectively recognize the authority and inherent control of the City over its streets and public rights-of-way, which have historically included the authority to require the relocation of utility improvements and other facilities located therein at the expense of the owner of such facilities to accommodate the construction of public improvement projects in such areas; and

WHEREAS, the City is the authority primarily responsible for constructing and maintaining essential public works facilities, including streets, water, sewer and storm drainage facilities, most of which are located in public rights-of-way under the jurisdiction and management of the City; and

WHEREAS, the prompt and efficient construction and maintenance of these public works are necessary and essential to protect the health, safety and welfare of the public; and

WHEREAS, facilities other than City public works are often located within the public right-of-way and frequently interfere with the construction and maintenance of the streets and other public works projects; and

WHEREAS, the City Council finds that experience has demonstrated that the relocation of utility improvements and other facilities at the City's request to accommodate public construction projects is often not timely completed, which results in construction delays that prolong the completion of City projects, increases City and City contractor costs on public improvement projects, and subjects the City to contractual delay damages; and

WHEREAS, the City Council finds that it is appropriate for the City and owners of other facilities in the public rights of way to work together to plan for, coordinate and minimize the relocation of facilities within the public rights-of-way; and

WHEREAS, the City Council finds that it will enhance the ability of the City to coordinate with the owners of facilities located in the public rights-of-way to have current facility information and current contact information for each facility owner on file; and

WHEREAS, neither the Texas Constitution nor Texas statutes prescribe rules or procedures to ensure that facilities located in, on or under public streets and rights-of-way will be relocated in a timely and efficient manner to accommodate City public works projects, but do authorize the City to adopt such rules and procedures; and

WHEREAS, the City Council hereby finds that the public health, safety and welfare require the adoption of procedures to ensure the prompt and efficient relocation of facilities located in public streets and rights-of-way;

WHEREAS, the City Council finds that certain owners of facilities located in the City's rights-of-way dispute the authority of the City to require the relocation of facilities at the owner's expense for any City project other than a street widening or straightening project; and

WHEREAS, the City Council finds that it is appropriate to create a utility relocation program and to set aside funds to encourage the cooperation of telecommunications and other utility providers to timely relocate their facilities to accommodate public improvement projects; and

WHEREAS, the City Council finds that the creation and funding of a utility relocation program as established by this Ordinance provides a mechanism for the reimbursement of a facility owner's relocation costs in the event the issue of the facility owner's obligation to relocate its facilities at its own expense is subsequently established conclusively in the owner's favor by either legislative action or judicial decree; **NOW, THEREFORE;**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the recitals and findings contained in the preamble of this Ordinance are hereby determined to be true and correct and are hereby adopted.

Section 2. That Chapter 40 of the Code of Ordinances, Houston, Texas, is hereby amended by adding a new Article XVIII to read as follows:

"ARTICLE XVIII. RELOCATION OF PRIVATELY-OWNED FACILITIES

Sec. 40-391. Definitions.

As used in this article, the following terms shall have the meanings ascribed in this section, unless the context of their usage clearly indicates another meaning:

Director means the director of the public works and engineering department or his designee.

Facility means any structure, device or other thing whatsoever that is installed or maintained in, on, within, under, over or above a public right-of-way within the city.

Public right-of-way means any public street right-of-way located in the city, including the entire area between the boundary lines of every

right-of-way (including but not limited to roads, streets, alleys, highways, boulevards, bridges, tunnels, or similar thoroughfares).

Public works project means any construction, reconstruction, improvement, repair or maintenance project undertaken by or on behalf of the city, including but not limited to projects included on the city's capital improvement plan regardless of source of funding.

Relocate means to move, remove or replace a facility.

Sec. 40-392. Registry of facilities and owners.

(a) The owner of any facility as defined in this article, other than a pipeline that is subject to the provisions of article IX of this chapter, shall provide to the director, and thereafter maintain, current: (1) contact information indicating the name and address of the owner of the facility and the individual at that address designated as a contact person for the owner; and (2) information describing and locating any facilities of the owner in the public right-of-way. The information shall be in the form prescribed by the director. If an owner does not have contact information on file, the owner shall provide the contact information at the time application is made for an excavation permit pursuant to article V of this chapter. It shall be unlawful for any owner to fail to provide or maintain current information as required by this section.

(b) Any location information submitted under this section that is designated by the owner as 'confidential,' 'trade secret,' or 'proprietary' will not be disclosed to the public by the city without the consent of the owner, unless otherwise compelled by an opinion of the attorney general pursuant to the Texas Public Information Act ('TPIA') or by order a court having jurisdiction of the matter pursuant to applicable law. Upon receipt of a request for such location information, the city will notify the contact person of the request in writing. If the owner elects to protect the location information from disclosure, the owner shall immediately notify the city and submit to the Texas Attorney General a brief that: (1) identifies the legal exceptions that apply; (2) identifies the specific parts of each document that are covered by each exception; and (3) explains why each exception applies. The city shall have no obligation or duty to submit any argument or brief to the Texas Attorney General on behalf of the owner.

Sec. 40-393. Relocation required.

(a) Whenever the city engineer determines, in the exercise of sound engineering judgment, that a facility should be relocated for the accomplishment of a public works project, the owner of the facility shall relocate the facility at the owner's sole expense in accordance with this

article. In the event that an owner's failure to timely relocate a facility in accordance with this article causes the city to incur expenses, damages or losses, including loss of grant funds, for any resulting delay, the owner of the facility shall be responsible for the city's expenses, damages or losses.

(b) It shall be the policy of the city to design public works projects to minimize the relocation of facilities, but the city shall not be obligated to design a public works project to avoid facility relocation and the determination of the city engineer of the appropriate design of the public works project shall be final.

Sec. 40-394. Notice of annual adopted capital improvement plan.

The city engineer shall provide notice of the passage of the annual adopted capital improvement plan for the city within 60 days of its passage by the city council. Notice shall be given by first class letter deposited into the United States postal service to the person and at the address on file with the city pursuant to section 40-392 of this Code and shall identify the location on the city's website or provide notice of other locations where the adopted capital improvements plan can be reviewed.

Sec. 40-395. City engineer's preliminary notice.

When during the design of a public works project the city engineer, based on information then available to him, determines that the presence of a facility in a public right-of-way may interfere with a public works project so that the relocation of the facility may be necessary, the city engineer shall provide the owner of the facility written notice of the planned public works project and the potential for relocation. The city engineer shall make this determination as soon as practicable, but no later than a reasonable period following receipt of a preliminary engineering report for the public works project, and shall give the notice to the owner as soon as practicable thereafter. The notice shall be given to the contact person identified pursuant to section 40-392 or section 40-232 of this Code, as applicable, by any means that requires proof of delivery. The notice shall identify the public works project and provide the owner with an opportunity to discuss with the city engineer the public works project and potential design alternatives that could avoid facility relocation. Notice pursuant to this and the preceding section of this Code is for the purpose of coordination only and is not a condition precedent to the city's exercise of its rights and remedies under this article nor to the facility owner's obligations hereunder.

Sec. 40-396. City engineer's final determination and notice.

(a) The city engineer shall determine before completion of final design of a public works project whether the design of the public works project

requires relocation of a facility and shall provide notice thereof to the owner of any facility required to be relocated. The notice shall be given in the manner provided in section 40-395 of this Code. In making a determination pursuant to this section, the city engineer or the director, as applicable, shall consider the purpose and complexity of the public works project and timetable for its construction, the number of facilities potentially affected by the project, the number of facility relocations required for the project, the cost and complexity of relocating each facility and any other factors he determines in the exercise of sound engineering judgement are relevant to the public works project.

(b) Notwithstanding the notice provisions of this Code that are otherwise applicable, if the city engineer discovers during the construction of a public works project:

- (1) That a facility located in the public right-of-way not previously known to the city engineer requires relocation; or
- (2) That inaccurate information about the location of the facility was provided by or on behalf of the facility owner and relocation is required which was not previously anticipated;

the city engineer shall give notice of the necessity for relocation in the manner provided in section 40-395 of this Code.

(c) Except for facilities discovered under section 40-396 (b)(1) or (2), the owner of the facility shall have a period of 60 days following the date of the notice sent pursuant to subsection (a) of this section to submit a proposed schedule for relocation of the facility for approval by the city engineer. The city, through the city engineer, and the owner may enter into a memorandum of agreement, in a form approved by the city attorney, evidencing agreement on the relocation schedule. The city engineer for good cause may extend, for a period not to exceed an additional 60 days, the time for submission or re-submission of a relocation schedule. The owner of facilities discovered under section 40-396(b)(1) or (2) shall provide to the city engineer at the earliest possible date, but not later than five business days following the owner's receipt of notice under that section , a proposed schedule for relocation of the facility and shall diligently prosecute the relocation of such facility until completed.

(d) No schedule for the relocation of a facility shall provide a period for relocation of longer than 180 days without written approval of the director, who for good cause shown by the facility owner, may extend the period of time for relocation. The time allowed for relocation shall commence on the date agreed to by the city engineer and the facility owner, but no later than the date of the notice to proceed for the public works project, unless

extended by the city engineer for good cause shown by the facility owner, and shall be suspended upon the occurrence, and extended for the duration of, an event of force majeure, which shall include a strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, sabotage or other events, where the facility owner has exercised all due care in the prevention thereof so that the causes or other events are beyond the control and without the fault or negligence of the facility owner. For good cause shown by the facility owner, the city engineer may determine that the failure of the city to timely process a properly filed, complete application for a city permit or approval required for the facility relocation constitutes an event of force majeure.

In determining "good cause" as used in this section (excluding the failure of the city to act timely as set forth in the preceding paragraph) the director shall be entitled to consider such factors, not attributable to any fault or negligence of the facility owner, including, but not limited to the following:

1. Availability of materials or supplies required for a relocation.
2. Availability of sufficient labor or technical personnel to timely effect a relocation.
3. Any loss or damage to the public or users of the facility to be relocated.
4. The availability of any alternative means of providing to the public or other users the services of the facility to be relocated.

Sec. 40-397. Relocation authorized; other legal action.

(a) If upon the expiration of 60 days from the date of the city engineer's notice to the owner pursuant to subsection 40-396(a) of this Code, or 5 business days from the date of the city engineer's notice to owner pursuant to subsection 40-396(b) of this Code, or any extension of time approved by the city engineer, the city and the owner have not agreed upon a schedule for the relocation of the facility at the owner's expense, the city engineer is authorized to:

- (1) Refer the matter to the city attorney for appropriate legal action;
or
- (2) Relocate the facility, or cause the facility to be relocated, on behalf of the owner and, subject to subsection (d) of this section, recover the cost of the relocation from the owner.

(b) If the city engineer determines that the owner has not timely complied with the terms of an agreed relocation schedule and that the unfinished relocation of the facility will delay completion of the affected city project, the city engineer is authorized to:

- (1) Refer the matter to the city attorney for appropriate legal action;
or
- (2) Relocate the facility, or cause the facility to be relocated, on behalf of the owner and, subject to subsection (e) of this section, recover the cost of the relocation from the owner.

(c) No later than the date of the commencement of any construction activity for the relocation of any facility by the city pursuant to this section, the city engineer shall give notice of the date on which the relocation shall begin by first class letter deposited into the United States postal service to the person and at the address on file with the city pursuant to section 40-392 of this Code. Not less than three days before the transfer of service to a facility relocated pursuant to this section is feasible, the city engineer shall give notice of such fact by first class letter deposited into the United States postal service to the affected person and at the address on file with the city pursuant to section 40-392 of this Code. If the facility owner fails to commence the transfer of service within 24 hours after the expiration of the third calendar day following the giving of notice to the facility owner, the city may deem the original facility abandoned and cause it to be removed without further liability and, at the city's election, transfer such service to the relocated facility.

(d) Failure of a facility owner to provide a relocation schedule satisfactory to the city engineer, applying reasonable engineering judgment, within the initial 60 or 5 day period, whichever is applicable, or any extension thereof, shall constitute authorization for the city to assess damages, including expenses, damages or losses for project delay, and, subject to subsection (e) of this section, recover costs of relocating the facility from the owner and shall also constitute a waiver by the owner of any claim for damages against the city.

(e) Failure of a facility owner to comply with an agreed relocation schedule shall constitute authorization for the city to recover damages, including expenses, damages or losses for project delay, and recover costs of relocating the facility from the owner and shall also constitute a waiver by the owner of any claim for damages against the city.

(f) All relocations required under this article shall be at the sole expense of the owner of the facility, except to the extent provided otherwise in a current, valid city franchise held by the owner of the facility or by section 40-234(k) of this Code. In addition, if the city requires the relocation of a

facility from a location approved by the city as part of a public works project pursuant to this article within five years following the date of a relocation of the facility pursuant to this article, the city shall bear the cost of the subsequent relocation of the facility. Nothing in this subsection shall preclude the application of funds from sources other than the city to the payment of relocation expenses on behalf of the owner of a facility.

(g) The city engineer's certification of the costs of relocation of any facility undertaken on behalf of an owner shall constitute prima facie evidence of the reasonableness of the costs chargeable to the owner.

Sec. 40-398. Notice after relocation.

If a facility is relocated under section 40-397 of this Code, the city engineer shall, within 30 days of the completion of the relocation, notify the owner of the facility that is relocated of the owner's right to a hearing under section 40-399 of this Code.

Sec. 40-399. Hearing upon written request.

The owner of a facility that is relocated under section 40-397 of this Code shall, upon written request within 10 days from the mailing of the city engineer's notice under section 40-398 of this Code, be entitled to a hearing on the issue of the reasonableness of the city's costs of relocation. The hearing shall be conducted by a hearing officer designated by the director, and the director shall promulgate rules for hearings. The hearing officer's decision on the issue of the reasonableness of the city's costs of relocation is final.

Sec. 40-400. Conflicts.

The provisions of article IX of this chapter shall control for those facilities governed thereby to the extent inconsistent with this article.

Sec. 40-401. Actions authorized to enforce article.

The city attorney is authorized to institute appropriate civil proceedings to compel the relocation of any facility whose relocation the city engineer determines to be necessary for a public works project and seek other relief consistent with this article."

Section 3. That the owner of any facility located in, on, within, under, over or above a public right-of-way on the effective date of this Ordinance shall submit the information

required by Section 40-392 of the Code of Ordinances, as adopted by this Ordinance, not later than the 30th day after the effective date of this Ordinance. It shall be unlawful for any owner of a facility described hereinabove to fail to provide the information required by Section 40-392 of the Code of Ordinances, as adopted by this Ordinance, within such time period or to fail to amend, correct or update any information previously submitted under this section.

Section 4. That the City Council hereby establishes two funds: (1) the Street & Bridge Utility Relocation Set-aside Fund, and (2) the Water & Sewer Utility Relocation Set-aside Fund (the "Set-aside Funds"). The amount of \$7,000,000 is hereby appropriated from the City's Street, Bridges and Traffic General Obligation Commercial Paper Fund, Series D (Fund 4BG), for the benefit of the Street & Bridge Utility Relocation Set-aside Fund, and the amount of \$2,000,000 is hereby appropriated from the City's Combined Utility System Commercial Paper Fund, Series A (Fund 75C), for the benefit of the Water & Sewer Utility Relocation Set-aside Fund, to provide a source of funding for the Utility Relocation Program, as defined in Section 5, below.

Section 5. That the City Council does hereby create and approve a Utility Relocation Program pursuant to the terms and conditions set forth in Exhibit A, which is attached hereto and incorporated herein. The Director of Public Works and Engineering is hereby authorized to promulgate all rules, regulations, and forms necessary to carry out the Program.

Section 6. That if any provision, section, subsection, sentence, clause, or phrase of the Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of

this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 7. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND APPROVED this 13th day of April, 2005.

Bill White

Mayor of the City of Houston

Prepared by Legal Dep't.

DFM:RDC:ps 04/06/2005

Ron Cheatham
Senior Assistant City Attorney

Requested by Michael S. Marcotte, P.E., Director, Department of Public Works and Engineering

L.D. File No. 0340200049001


AYE	NO	2005-371
✓		MAYOR WHITE
....	COUNCIL MEMBERS
✓		LAWRENCE
✓		GALLOWAY
	ABSENT	GOLDBERG
✓		EDWARDS
	✓	WISEMAN
✓		KHAN
	ABSENT	HOLM
✓		GARCIA
✓		ALVARADO
✓		ELLIS
✓		QUAN
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURIER
APR 19 2005

CERTIFICATE OF CITY CONTROLLER

I, Annise D. Parker, City Controller of the City of Houston, Texas, pursuant to Article II, Section 19a of the Charter of the City of Houston, with respect to the sum of \$7,000,000.00 required for the referenced in the title of this ordinance, do hereby certify as follows:



To the extent that the \$7,000,000.00 will be paid by commercial paper proceeds, funds will be received into the treasury and available before the maturity of said obligation, and such anticipated funds have not already been appropriated for any other purpose. Such sum will be received as a cash draw(s) to the City of Houston pursuant to the Street, Bridges and Traffic General Obligation Commercial Paper Fund, Series D (Fund 4BG), Ordinance No. 2002-465, as amended by Ordinance No. 2003-505 and Ordinance No. 2003-937.


City Controller

CERTIFICATE OF CITY CONTROLLER

I, Annise D. Parker, City Controller of the City of Houston, Texas, pursuant to Article II, Section 19a of the Charter of the City of Houston, with respect to the sum of \$2,000,000.00 required for the referenced in the title of this ordinance, do hereby certify as follows:

To the extent that the \$2,000,000.00 will be paid by commercial paper proceeds, funds will be received into the treasury and available before the maturity of said obligation, and such anticipated funds have not already been appropriated for any other purpose. Such sum will be received as a cash draw(s) to the City of Houston pursuant to the Combined Utility System Commercial Paper Program, Series A (Fund 75C), Ordinance No. 2004-368.



City Controller

UTILITY RELOCATION PROGRAM

(a) **Purpose.** This Utility Relocation Program ("Program") is intended to promote the cooperation of the owners of private utility facilities where the relocation of their facilities is necessary to accommodate public improvement projects.

(b) **Definitions.** For purposes of this Program, the following terms shall have the meanings ascribed in this section.

Beneficiary means only the following persons, firms or companies, regardless of type or form of organization or business structure that file a declaration under Section (c) below:

- (1) Telecommunications providers operating under Chapter 283, Texas Local Government Code, without a current franchise granted by the City;
- (2) Utility providers or others with a current City franchise that does not specifically require the relocation of facilities at the franchisee's sole cost to accommodate a public improvement project; or
- (3) Utility providers or others that own facilities in the public right-of-way and that claim any right to city reimbursement of facility relocation costs to accommodate a public improvement project.

Director means the Director of Public Works and Engineering or his designee.

(c) **Declaration of participating entity.** To be entitled to any benefit under this Program, a Beneficiary must execute and file a declaration with the Director in a form promulgated by the Director.

(d) **Encumbrance of Set-aside Funds.** Upon the approval by the Director of a declaration filed by a Beneficiary, a portion of the funds appropriated for the Set-aside Funds, as defined in City of Houston Ordinance No. 2005-____, (the "Ordinance"), in the amount of relocation costs set forth in such declaration and approved by the Director, shall be encumbered for the benefit of such Beneficiary, to the extent that sufficient unencumbered appropriated Set-aside Funds are available, subject to the following:

- (1) The Director may only deny approval of a declaration if the amount of relocation costs set out in the declaration are more than 10% higher than the Director's estimate of actual relocation costs. In the event the Director denies approval of a declaration, he shall notify the submitting Beneficiary

who may, within 10 days of receipt of the notice of denial, submit additional documentation to the Director to support the amount of relocation costs set out in the declaration. If within 10 days of receipt of additional documentation, the Director again denies the approval of the declaration based upon his review of the additional documentation to support the reasonableness of the cost, or if the Beneficiary elects not to submit additional documentation, the Beneficiary may request and the Director shall approve, an encumbrance of the amount of the Director's estimate of relocation costs plus 10% and reserve the opportunity to adjust the encumbrance after actual relocation costs are known pursuant to Subsection (2) of this Section (d).

- (2) Within 30 days following the completion of any relocation by a Beneficiary pursuant to Article XVIII of Chapter 40 of the City's Code of Ordinances, the Beneficiary shall provide the Director true and correct copies of all documents reflecting the Beneficiary's actual relocation costs and, if approved by the Director, shall result in a commensurate adjustment to the amount of funds encumbered in such Beneficiary's name in the Set-Aside Funds.
- (3) The Director shall have 30 days to either approve or contest the Beneficiary's actual relocation cost submission as reflecting reasonable costs and provide notice of the decision to the Beneficiary and shall proceed as follows:
 - (a) If the Director approves the Beneficiary's actual relocation costs, he shall take action to notify the City Controller of his approval of the costs and to encumber funds in the amount of the approved costs for the benefit of the Beneficiary and shall notify the Beneficiary in writing of such action; or
 - (b) If the Director disagrees with an actual relocation cost submission as not reflecting reasonable costs, he shall provide the submitting Beneficiary written documentation of the amount of relocation costs supported by the Director not later than 15 business days after receipt of the cost submission. The Beneficiary shall have an additional 10 business days after receipt of the Director's decision to file with the Director any further documentation of its costs.
 - (i) If no additional documentation is filed by the Beneficiary within 10 days after its receipt of the Director's decision, the Director's original decision shall be final and binding on all parties and funds in the amount supported by the Director shall be

encumbered for the benefit of the Beneficiary in the manner set forth in the preceding section.

- (ii) If additional documentation is filed by the Beneficiary but fails to persuade the Director to change his decision as to the reasonableness of the costs, the matter shall be placed before the City Council for a hearing pursuant to Rule 12 of the City Council Rules of Procedure (City Code § 2-2); provided, however, that the decision of the City Council shall be based solely on its review of the relocation cost documentation prepared by the Director and the Beneficiary, which determination shall be final.
- (iii) Upon a final determination by the City Council, the Director shall take action to ensure that funds in the amount of the relocation costs approved by the city council shall be encumbered in the Set-Aside Funds, to the extent that unencumbered appropriated Set-aside Funds remain, for the benefit of the Beneficiary.

(e) ***Payments to beneficiaries.*** The amount encumbered for the benefit of any Beneficiary shall be paid to such Beneficiary within five banking days after the date that the City Controller receives a payment voucher from the Director together with written confirmation from the City Attorney that:

- (1) A judgment that is not subject to appeal has been entered by a court of competent jurisdiction holding that relocation costs must be reimbursed by the City, and there is no substantial disagreement as to the meaning and effect of such judgment on payments to Beneficiary; or
- (2) Legislation enacted by the Texas Legislature becomes effective that either:
 - (i) prohibits the City from requiring the Beneficiary to relocate its facilities at the Beneficiary's expense; or
 - (ii) clearly places on the City the obligation to bear such relocation expenses.

Such payment shall be effected by the issuance of commercial paper from the appropriate commercial paper program as set forth in the Ordinance, and the deposit of the proceeds in the appropriate Set-aside Fund. A check for the payment of approved costs previously encumbered shall then be issued from such fund to the Beneficiary. Such payment shall also include accrued interest thereon at a rate per annum equal to the one-month LIBOR Rate in effect on the date of such judgment or the effective date of legislation, plus one percent (1.0%), from the date of such judgment to the date of payment

or, in the case of legislation, for the period beginning on the effective date of the legislation to the date of payment to such Beneficiary. The City will not disburse money from the Set-aside Funds to any person other than a Beneficiary.

(f) **Notices.** Any notice or other communication required or permitted to be given under this Program by any party shall be considered as properly given if in writing and (a) delivered against receipt therefor, (b) mailed by registered or certified mail, return receipt requested and postage prepaid, or (c) sent by telefax machine, in each case to the address or telefax number, as the case may be, as follows:

To the Director:	Director of Public Works and Engineering City of Houston P. O. Box 1562 Houston, TX 77251-1562 713.nnn.nnnn
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To the Beneficiary:	[address provided in declaration]
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(g) **Term.** Notwithstanding any other provision contained herein, this Program shall cease upon the expiration of four years from the date of its approval by the City Council; provided that if any funds remain encumbered for the benefit of a Beneficiary at such time, the Program shall continue with only those funds deemed necessary by the Director to pay any and all encumbered amounts plus accrued interest for a period of no more than two years thereafter.